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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 18, 1997

Mr. William Caton
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Notice of Ex Parte Presentation, MM Docket No. 92-297

Dear Mr. Caton:

Pursuant to 47 C.F.R. § 1.1206(a)(2), Game Show Network LLC is filing with the Secretary an original and one copy of this notice of ex parte presentations in the above-captioned proceeding.

On July 17, 1997, Kim Cunningham, Vice President for Business Affairs of the Game Show Network, Zack Van Amburg, Director of Development, Stan Gorinson of Preston Gates, and myself met with: Meredith J. Jones, William H. Johnson, Marsha Glauberman, Alexis D. Johns, and Jason Friedrich of the Cable Services Bureau; Anita Wallgren of Commissioner Ness' office; Marsha MacBride of Commissioner Quello's office; and Gretchen Rubin of Chairman Hundt's office. On July 18, we met with Jane Mago of Commissioner Chong's office.

Noted & filed rec'd
LAW ASSOCIATE

OH

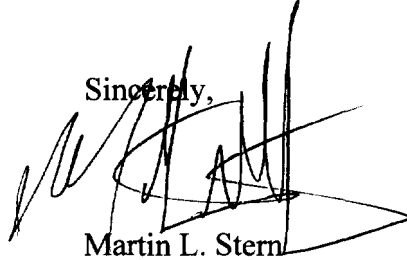
Mr. William Caton

July 18, 1997

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At these meetings, we discussed the Game Show Network's position and proposals, as reflected in the attached handout, regarding: (1) closed captioning by start-up networks; (2) closed captioning of pre-rule (library) programming; and (3) closed captioning of interactive programming. At the meetings, we also provided copies of the enclosed videotape, which contains examples of Game Show Network interactive programs that we had closed captioned by the National Captioning Institute.

Sincerely,

A handwritten signature in black ink, appearing to be "Martin L. Stern", written over the word "Sincerely,".

Martin L. Stern

Attachments

cc: Gretchen Rubin, Marsha MacBride, Anita Wallgren, Jane Mago,
Meredith J. Jones, William H. Johnson, Marsha Glauberman,
Alexis D. Johns, Jason Friedrich
(W/o attachments)

MLS/jkl

THE GAME SHOW NETWORK

**PRESENTATION TO
FEDERAL COMMUNICATIONS COMMISSION
MM DOCKET NO. 95-176
JULY 1997**

**KIM CUNNINGHAM, VICE PRESIDENT
BUSINESS AFFAIRS
ZACK VAN AMBURG, DIRECTOR OF DEVELOPMENT

GAME SHOW NETWORK LLC**

**STANLEY M. GORINSON
MARTIN L. STERN
DAVID L. RICE**

**PRESTON GATES ELLIS &
ROUVELAS MEEDS LLP

ATTORNEYS FOR THE GAME
SHOW NETWORK**



WHAT IS THE GAME SHOW NETWORK (GSN)?

- **START-UP NETWORK**
- **PROGRAMMING CONSISTS OF:**
 - **PRE-RULE PROGRAMMING**
 - **VERY LARGE LIBRARY OF OLDER MATERIAL**
 - **50,000 EPISODES OF VINTAGE GAME SHOWS**
 - **NEW PROGRAMMING**
 - **WILL BE ABOUT 12.5% OF GSN SCHEDULE IN 1997**
 - **1100 HOURS ON SCHEDULE**
 - **APPROXIMATELY 800 HOURS OF NEW PROGRAMMING INTERACTIVE; LIVE INTERACTIVE PROGRAMMING ALLOWS VIEWERS TO CALL IN AND PLAY QUIZ-GAMES USING TOLL-FREE NUMBER AND TOUCH TONE PHONES**



GSN SUPPORTS START-UP NETWORK EXEMPTION

- **START-UP NETWORK HAS HIGH COSTS, LITTLE REVENUE**
 - **SEVERE COMPETITION TO BE CARRIED BY CABLE SYSTEMS**
 - **START-UPS MUST PAY TO BE CARRIED -- SHELF SPACE IS COSTLY**
 - **PROMOTION COSTS ARE HIGH; NECESSARY TO ESTABLISH NAME RECOGNITION**
 - **FOR EXAMPLE, GSN INSTITUTED NATIONWIDE PROMOTIONAL CAMPAIGN LOOKING FOR NEW GAME SHOW HOSTS**
- **NEW PROGRAMMING COSTS ARE EXPENSIVE WHEN VIEWING AUDIENCE IS SMALL**



GSN SUPPORTS START-UP NETWORK EXEMPTION

(CONTINUED)

- **SUBSTANTIAL LOSSES ARE LIKELY FOR SEVERAL YEARS**
 - **WILL TAKE MANY YEARS TO RECOUP START-UP COSTS EVEN AFTER BREAK EVEN**
 - **REVENUES ARE SMALL IN START-UP YEARS**
 - **NO SIGNIFICANT NATIONAL ADVERTISING UNTIL NETWORK HAS AT LEAST 10 MILLION SUBSCRIBERS**
 - **NO SIGNIFICANT AFFILIATE FEE REVENUES**
- **ADDING CLOSED CAPTIONING WOULD SUBSTANTIALLY INCREASE THE BURDEN ON GSN**
 - **TO CLOSED CAPTION 75% OF ITS LIBRARY, COST WOULD BE \$18 MILLION**
 - **NEW PROGRAMMING WOULD ADD ADDITIONAL COSTS**



**CONCLUSION: NO CLOSED CAPTIONING REQUIREMENT
UNTIL NETWORK IS AVAILABLE TO AT LEAST 20 MILLION
CABLE VIEWERS**



COST-BENEFIT ANALYSIS OF CLOSED CAPTIONING ON START-UP NETWORKS

- **BENEFITS ARE QUITE SMALL**
 - **START-UP NETWORKS ARE SEEN BY ONLY A VERY SMALL AUDIENCE**
 - **MOST ARE TOO SMALL TO EVEN BE RATED**
 - **THE 25TH MOST VIEWED CABLE NETWORK, COMEDY CENTRAL IS ONLY AVAILABLE TO 40.8 MILLION SUBSCRIBERS¹**
 - **THERE ARE APPROXIMATELY 97 MILLION TV HOUSEHOLDS**
 - **THERE ARE APPROXIMATELY 64 MILLION CABLE SUBSCRIBERS**

¹ SOURCE: FCC THIRD ANNUAL VIDEO PROGRAMMING REPORT, TABLE 6 (1997).



COST-BENEFIT ANALYSIS

(CONTINUED)

- **THE COSTS ARE HIGH**
 - **MAY MAKE NEW ENTRY IMPOSSIBLE**
 - **MAY CAUSE EXIT**
- **COSTS SUBSTANTIALLY OUTWEIGH BENEFITS**



GSN PROPOSAL FOR TRANSITION TO CLOSED CAPTIONING

- **NO CLOSED CAPTIONING REQUIREMENT UNTIL NETWORK IS AVAILABLE TO 20 MILLION SUBSCRIBERS**
- **ABOVE 20 MILLION SUBSCRIBERS, CLOSED CAPTION ALL NEW, NON-INTERACTIVE PROGRAMMING, PHASED IN OVER A FIVE YEAR PERIOD -- 20% OF SCHEDULE PER YEAR**
- **LIBRARY (PRE-RULE) PROGRAMMING**
 - **MUCH MORE PROBLEMATIC**
 - **§ 713 RECOGNIZES THAT POST AND PRE-RULE PROGRAMMING SHOULD BE TREATED DIFFERENTLY**



GSN PROPOSAL FOR TRANSITION TO CLOSED CAPTIONING

(CONTINUED)

- **PROPOSAL FOR PRE-RULE PROGRAMMING**
 - **2% OF LIBRARY-EXHIBITED SCHEDULE SHOULD BE CLOSED CAPTIONED EACH YEAR**
 - **APPROXIMATELY 153 HOURS OF LIBRARIED PROGRAMMING -- 306 HALF-HOUR SHOWS -- WOULD BE CLOSED CAPTIONED IN FIRST YEAR THAT RULE WAS APPLICABLE TO GSN**
 - **ABOUT 30 NETWORKS HAVE SIGNIFICANT PRE-RULE PROGRAMMING**
 - **UNDER GSN PROPOSAL WOULD RESULT IN 4590 HOURS OF ADDITIONAL CLOSED CAPTIONED PROGRAMMING EXHIBITED FOR NETWORKS EXCEEDING THE 20 MILLION SUBSCRIBER THRESHOLD**



GSN PROPOSAL FOR TRANSITION TO CLOSED CAPTIONING

(CONTINUED)

- **THE “SIGNIFICANTLY VIEWED” EXCEPTION**
 - **IF ANY LIBRARY-EXHIBITED PROGRAM HAS A RATING OF 2 (BASED ON TOTAL CABLE SUBSCRIBERS IN U.S.) OVER SUSTAINED PERIOD, THEN THAT PROGRAM WOULD BE CLOSED CAPTIONED WITHIN A REASONABLE TIME AFTER OBTAINING THAT RATING**
 - **WILL PERMIT TRULY POPULAR PROGRAMMING TO BE AVAILABLE TO CLOSED CAPTIONED AUDIENCE**



INTERACTIVE PROGRAMMING CANNOT BE PRACTICALLY CLOSED CAPTIONED

- **INTERACTIVE PROGRAMMING ON GSN USES LARGE PORTIONS OF THE
SCREEN FOR THE GAME**
- **USING CAPTIONING WILL BLOCK OUT THE GAME MAKING IT DIFFICULT
FOR THOSE USING CLOSED CAPTIONING TO FOLLOW THE GAME**
- **CLOSED CAPTIONING TO SEE INTERACTIVE PROGRAMMING WOULD
REQUIRE VIEWER TO BUY ADD ON DEVICE WITH REMOTE SCREEN**
- **THAT IS LIKELY TO BE EXPENSIVE**
- **GSN IS WILLING TO WORK WITH OTHER NETWORKS, GROUPS DESIRING
CLOSE-CAPTIONING OF INTERACTIVE AND FCC IN EFFORT TO SEE
WHAT SOLUTIONS ARE AVAILABLE OVER TIME**



DOCUMENT OFF-LINE

This page has been substituted for one of the following:

- o An oversize page or document (such as a map) which was too large to be scanned into the RIPS system.

- ☒ Microfilm, microform, certain photographs or videotape.

- o Other materials which, for one reason or another, could not be scanned into the RIPS system.

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